BellSouth Telecommunications, Inc.

333 Commerce Street

Suite 2101

Nashville, TN 37201-3300

joelle.phillips@bellsouth.com

11 AUG 3 AM 8 5 Attorney

515 214 6311 This 25 25 26 11 TIVE CECILETA Fax 615 214 7406

REQULATION AUTH.

VIA TELECOPIER (615) 252-6363

Henry Walker, Esquire Boult, Cummings, Conners & Berry Post Office Box 198062 Nashville, Tennessee 37219-8062

Re:

Second Complaint of Discount Communications, Inc. Against BellSouth

Telecommunications, Inc. Docket No. 00-01151

Dear Henry:

Thank you for your call this morning. I appreciate your agreement to stipulate to the admissibility of the Waring Cox affidavits, in lieu of presentation of a live witness, with respect to the evidence on the escrow account.

I understand from our conversation that your client has informed you that it has filed bankruptcy and that you have agreed to provide me with a copy of the petition as soon as possible. I understand also that you believe your client would be willing to proceed with the hearing on Tuesday, notwithstanding the bankruptcy filing. BellSouth would also be willing to proceed with the hearing, provided that Discount would agree to jointly seek a life of stay to permit the hearing to go forward. We will be happy to draft a motion for your signature. In the alternative, BellSouth would agree to an informal status conference, which we believe could go forward without a lift of stay.

Joelle Phillips

The Pulls

JJP/jej

cc:

Richard Collier, Esquire

Guy Hicks, Esquire